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Baker-Polito Administration Testifies on Housing Choice Initiative

Governor Baker, Secretary Ash, Under Secretary Kornegay appear before the Joint Committee on Housing

BOSTON— Today, Governor Charlie Baker, Secretary of Housing and Economic Development Jay Ash and Undersecretary of Housing and Community Development Chrystal Kornegay testified at a hearing of the Joint Committee on Housing in support of the administration's [Housing Choice Initiative](#) to substantially increase housing production across the Commonwealth, including legislation titled "[An Act to Promote Housing Choices](#)."

TESTIMONY AS PREPARED FOR DELIVERY BY GOV. CHARLIE BAKER:

Chairman Honan, Chairman Boncore, and Vice Chairman McGonagle and members of the Joint Committee on Housing, thank you for opportunity to provide testimony in support of House 4075, "*An Act to Promote Housing Choices*."

As I emphasized in my State of the Commonwealth speech last week, we are grateful for our productive partnership with the Legislature. We have a track record of success on issues like economic development, opioids, energy, and more. Now, together, we must confront the issue of housing production in the Commonwealth.

It has been decades since this state produced enough housing to keep up with demand. result has been predictable. A limited supply creates overheated demand and rising price

Young people --- seniors --- young, working and middle class families can't afford to rent or buy a home here in the Commonwealth.

We know that the Legislature recognizes the importance of this issue. Senate President Chandler has championed the housing issue for decades. Likewise, the House has been a great partner on housing issues like the Housing Bond Bill. I also want to recognize that Chairman Honan and former Vice Chairwoman Darcena Forry filed legislation that lowered voting thresholds for adoption of 40R smart growth zoning.

Thanks to this committee's leadership, the House just engrossed the Housing Bond Bill, which will fund important programs to build and preserve affordable housing, to support our community development corporations, and to rehabilitate our state public housing stock. I hope that the Senate will quickly take up that legislation.

The gap between housing demand and housing supply in the Commonwealth is one of the thorniest issues for State and local governments. Massachusetts is one of the most expensive states to find a home, and it poses the most serious long-term hurdle to continued economic growth.

This proposed legislation is part of our comprehensive strategy to build 135,000 new housing units over the next seven years.

It builds on our new Housing Choice Initiative, and will facilitate housing production in partnership with our municipalities.

The Housing Choices bill before you offers a *new* approach to address that challenge by making it easier for local decision-makers — city and town officials — to adopt best practice zoning policies that will facilitate sustainable housing production across the Commonwealth.

We live in a great state. U.S. News and World Report ranked Massachusetts the #1 state in which to live, work, and raise a family. Education Week ranked our K-12 schools #1 in the country. Bloomberg named Massachusetts the most innovative state. And we offer incredible cultural, recreational, and other assets that make Massachusetts a place where families want to live and where employers want to grow.

Yet, we are building less than half the housing that we were building in the 1980s. And we are not building the number of multi-family housing units that we need in diverse locations across the Commonwealth to accommodate the workforce we need to continue our economic growth.

The bottom line: Massachusetts needs to build more housing to remain competitive economically and to serve the needs of all of our residents.

Our Administration has been committed to a robust housing agenda, significantly expanding our investments in workforce and affordable housing and committing more than \$1.1 billion in capital funding over the next five years, offering state land for housing development, and making a series of reforms to prompt housing production.

However, we also understand that there is no way that the State can fund enough subsidies to drive the level of housing production that we need to meet demand.

To really move the needle on housing production, we need to rely on the power of the market. That means we need to work with municipalities to set the conditions that will allow the market to meet housing demand.

Both Lt. Governor Polito and I served as members of our town select boards, and we understand that local government is closest to the people.

Cities and towns are on the front lines of development issues. As we seek to promote housing production, we believe this must be done in partnership with local elected and appointed officials. Working with the Massachusetts Municipal Association and other municipal stakeholders, we are seeking to create a comprehensive system of incentives, rewards, and technical assistance to encourage municipalities to plan and encourage housing production.

We think that municipal legislative bodies are the best place to set local housing policy. Accordingly, our legislative proposal makes no changes to local zoning bylaws but instead improves flexibility for town legislative bodies to make best practice, smart growth zoning changes. It accomplishes this by removing a barrier that makes it hard for towns adopting these changes, even where they are broadly supported: a state law requiring a supermajority vote to change zoning.

Nothing in the bill requires a municipality to change its zoning laws. The bill simply makes it easier for cities and towns that do want to make zoning changes that promote smart housing growth to do so.

The bill also reflects a belief that policies encouraging housing growth should align with other values our Administration has championed, such as our commitment to encourage good stewardship of our environment and reduce greenhouse gases.

Accordingly, our Housing Choice Initiative creates incentives and provides resources to adopt planning policies that direct growth toward downtowns and transit oriented locations. Our legislation encourages municipalities to protect undeveloped land by adopting best practices, like cluster zoning and transfer of development rights.

We are pleased that this proposal has been well received by a variety of stakeholders. When announcing our comprehensive Housing Choice Initiative, we were joined by the Massachusetts Municipal Association, individual municipal elected and appointed leaders, major business associations, planning organizations, housing advocates, and environmental groups.

As we strive to find more creative ways to encourage more housing developments, our administration believes this bill is a key component of our long-term plan. With your support, we can promote housing growth that is smart, responsive to local needs, and environmentally friendly.

Thank you for your time and attention. With your leadership, we can make progress on an issue that has stubbornly resisted reform for a generation. Working together, I am confident that we can find a way forward to a better Commonwealth.

TESTIMONY AS PREPARED FOR DELIVERY BY SEC. JAY ASH:

"An Act to Promote Housing Choices"

Massachusetts has a long and proud tradition of local home rule and the Baker-Polito Administration has a culture of respecting the role of municipal leaders in shaping their community's future. As the former City Manager of Chelsea, I appreciate that local decision making and buy in is key to successful housing production.

In fact, I'm proud to be here as someone who helped facilitate the development of more than 2,000 housing units in Chelsea. That housing production was a key part of the redevelopment of Chelsea as a vibrant and financially stable municipality.

I carry that experience across the Commonwealth as I travel to cities and towns and consult with municipal leaders about their own economic development and community visions.

Housing, including multi-family housing, is a cornerstone of how we revitalize our downtowns, convert underutilized shopping centers, and build sustainable municipalities that are places where people want to live, work, and play.

For communities that want to pursue zoning that produces housing in sustainable locations, however, there's long been a legal barrier that we believe the Legislature should eliminate:

- State law bars cities and towns in Massachusetts from adopting changes to zoning laws unless the municipality is able to secure a 2/3 "supermajority" vote of its legislative body.

Only a handful of other states have similar requirements and none of our neighbors in New England place this sort of restriction on local decision making.

It is time to remove this barrier to the adoption of zoning changes that promote sustainable, appropriate and much needed housing production.

Our legislation allows cities and towns to adopt best practice zoning techniques by majority vote of their legislative bodies. These best practices will facilitate diverse housing production, they will revitalize our downtowns, and they will promote land conservation and environmental stewardship.

The legislation is simple.

- If a municipality wants to reduce house lot sizes or other dimensional restrictions so that homebuilders can create housing that is more affordable to the average buyer, then the voting threshold is a simple majority.
- If a municipality wants to allow mixed use zoning in a downtown, then the voting threshold is a simple majority.
- If a municipality wants to create zoning that clusters houses together and conserves land compared to a typical suburban development, then the voting threshold is a simple majority.
- If a municipality wants to adopt 40R "smart growth zoning," including our new starter home 40R districts, then the voting threshold is a simple majority.
- If a municipality wants to allow accessory dwelling units – small apartments in the same building or on the same lot as an existing home — then the voting threshold is a simple majority.

If a municipality wants to allow changes to its zoning that foster the creation of more housing, then the voting requirement is a simple majority. And if a municipality does not want to change its zoning, it does not have to.

TESTIMONY AS PREPARED FOR DELIVERY BY UNDER SEC. CHRYSTAL KORNEGAY:

Housing Choice Initiative

In December, the Baker-Polito Administration announced the Housing Choice Initiative and filed “An Act to Promote Housing Choices.” There are five parts to our comprehensive housing production strategy:

- The first element is the Housing Choices bill that Secretary Ash just described.
- Second, we announced a goal of creating 135,000 housing units by 2025. It is important to set a target and then monitor progress, and we will do that. In fact, working with Massachusetts Housing Partnership, we are working to improve housing data across the board.
- Third, the administration has launched a “Housing Choice Designation” for cities and towns, modeled on the Green Communities Program. We want to recognize those municipalities who are helping us meet our housing challenge. Communities that achieve Housing Choice Designation will receive extra points on a wide variety of state capital grants as an incentive to build housing and to adopt housing production best practices.
- Fourth, Housing Choice municipalities will have exclusive access to a new state grant program that will make grants of up to \$500,000 for local capital projects. Because we recognize that our smallest municipalities have different challenges, there will be a separate Small Town Grant Program for towns with less than 7,000 people.
- Fifth, we are streamlining access to technical assistance and adding resources for municipalities who want to plan for sustainable housing production. Our new Housing Choice Program Director will coordinate the variety of technical assistance programs to make sure that any municipality that wants to plan for housing will have the right resources and expertise. As part of this, MassHousing recently announced a new \$2 million grant program that will support municipalities that want to drive their own housing future.

Thank you again for the opportunity for us to come here in support of “An Act to Promote Housing Choices.”

We’re happy to take any questions.

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